## REMARKS

This Amendment is in response to the Office Action, dated October 27, 2010 ("Office Action"). Claims 1, 4, 6-11, 13, 16, 18, 22, 24-32, 34-36, and 38 are pending; claims 1, 6, 13, 18, 24, and 34 having been amended and claims 5 and 23 having been canceled by virtue of the present amendment. No new matter is added. Examination and allowance of pending claims in view of the ensuing remarks are respectfully requested.

Claims 1, 13, 18 and 34 have been amended to indicate that the neural stem cell comprises a heterologous gene. No new matter has been added. Support for this amendment can be found throughout the specification and original claims 5 and 23.

Claims 6 and 24 have been amended to adjust the claim dependency due to the cancellation of claims 5 and 23.

Claims 1, 5-9, 34-36 and 38 are rejected under 35 U.S.C. 102(b) as anticipated by, or in the alternative, under 35 U.S.C. 103(a) as obvious over, Luo et al. as evidenced by Maragakis et al. The Examiner asserts that the combined teachings of the references demonstrate that there are subpopulations of neural stem cells, and a continuum of differentiation as cells progress from pluripotent neural stem cell to glial-restricted precursor to human astroglial progenitor. The Examiner asserts that the cells described by Luo et al. are indistinguishable from those of the claimed invention, and "that [Luo et al.] did not specifically assay for EAAT1 or EAAT2 expression is moot as the preponderance of evidence within the art and within the instant disclosure, teaches that EAAT1 expression occurs upon astroglial differentiation." Applicants respectfully traverse this rejection.

While Applicants do not concede to the merits of the Examiner's rejection, in an effort to advance prosecution, claims 1 and 34 have been amended to indicate that the neural stem cell (NSC) comprises a heterologous gene.

Applicants submit that claims 1, 6-9, 34-36 and 38 are not anticipated by Luo et al. as evidenced by Maragakis et al. because neither of these references teaches an NSC comprising a heterologous gene.

Applicants further submit that claims 1, 6-9, 34-36 and 38 are not rendered obvious by Luo et al. as evidenced by Maragakis et al. because neither of these references teaches an isolated NSC comprising a heterologous gene, or a reason for the NSC to comprise a heterologous gene. The Examiner also has not identified any reason for the NSC to comprise a heterologous gene. Furthermore, claims 6-9 are directed to the NSC comprising a heterologous gene encoding a therapeutic polypeptide. Again, the Examiner has not identified any reason for this specific subpopulation of NSCs to comprise a gene encoding a therapeutic polypeptide.

In light of the foregoing, Applicants respectfully request reconsideration and withdrawal of this rejection.

All of the claims remaining in the application are now believed to be allowable. Favorable consideration and a Notice of Allowance are earnestly solicited. If for any reason Examiner finds the application other than in condition for allowance, Examiner is requested to call the undersigned attorney at the Los Angeles telephone number (213) 633-6800 to discuss the steps necessary for placing the application in condition for allowance.

Respectfully submitted, John S. Yu et al.

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